

Resolve2Win

“Legal Services of Hong Kong, Opportunities for All”

Hong Kong as a Deal Making and Dispute Resolution Hub

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“One Country, Two Systems”

- Safeguarded by the Basic Law
- *“The policy of **One Country, Two Systems** is a great innovation of socialism with Chinese characteristics. It has proven to be **the best institutional arrangement for ensuring sustained prosperity and stability in Hong Kong and Macao** after their return to the motherland. This policy **must be adhered to over the long term.**”*

(President Xi Jinping, Report to the 20th National Congress of the Communist Part of China, Oct 2022)

Robust legal system

- ▶ Preservation of the **Common Law System**
 - ✓ The only common law jurisdiction within China
- ▶ Both **Chinese** and **English** are official languages
- ▶ Solid foundation of the Rule of Law
 - ✓ “Reinforcing the Core Value of the Rule of Law” is one of the HKSAR Government’s key [priorities](#) ([*The Chief Executive’s 2022 Policy Address, Oct 2022*](#))

Judicial independence

- ▶ Judicial independence is **constitutionally guaranteed**
- ▶ The **power of final adjudication** is vested with the Hong Kong Court of Final Appeal (CFA), with visiting overseas judges from other common law jurisdictions sitting with permanent judges
- ▶ The courts of HKSAR may refer to **precedents of other common law jurisdictions**
- ▶ The appointment of judges must be made according to the established procedures

Hong Kong as a leading financial centre

Economic Freedom of the World: 2022 Annual Report by Fraser Institute (Sept 2022)

- ▶ Hong Kong is the **world's freest economy!**

Worldwide Governance Indicators (WGI) project

- ▶ **No.3 in Asia**, No.21 worldwide for “**Rule of law**” in 2021
- ▶ **No.2 in Asia**, No.13 worldwide on “**Control of Corruption**” in 2021
- ▶ Consistently scored above 90 (out of 100) since 2003 in the aggregate indicator for rule of law

Asia's financial hub

- According to the 32nd edition of the [Global Financial Centres Index \(GFCI 32\)](#) (released in Sept 2022), Hong Kong ranked as the world's No.4 Financial Centre

Fast Facts

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Top banks



78 of the world's top 100 banks call Hong Kong home (as at end Feb 2022)

RMB924.9
billion



World's largest offshore RMB hub with total deposits of RMB924.9 billion (as at end Feb 2022)

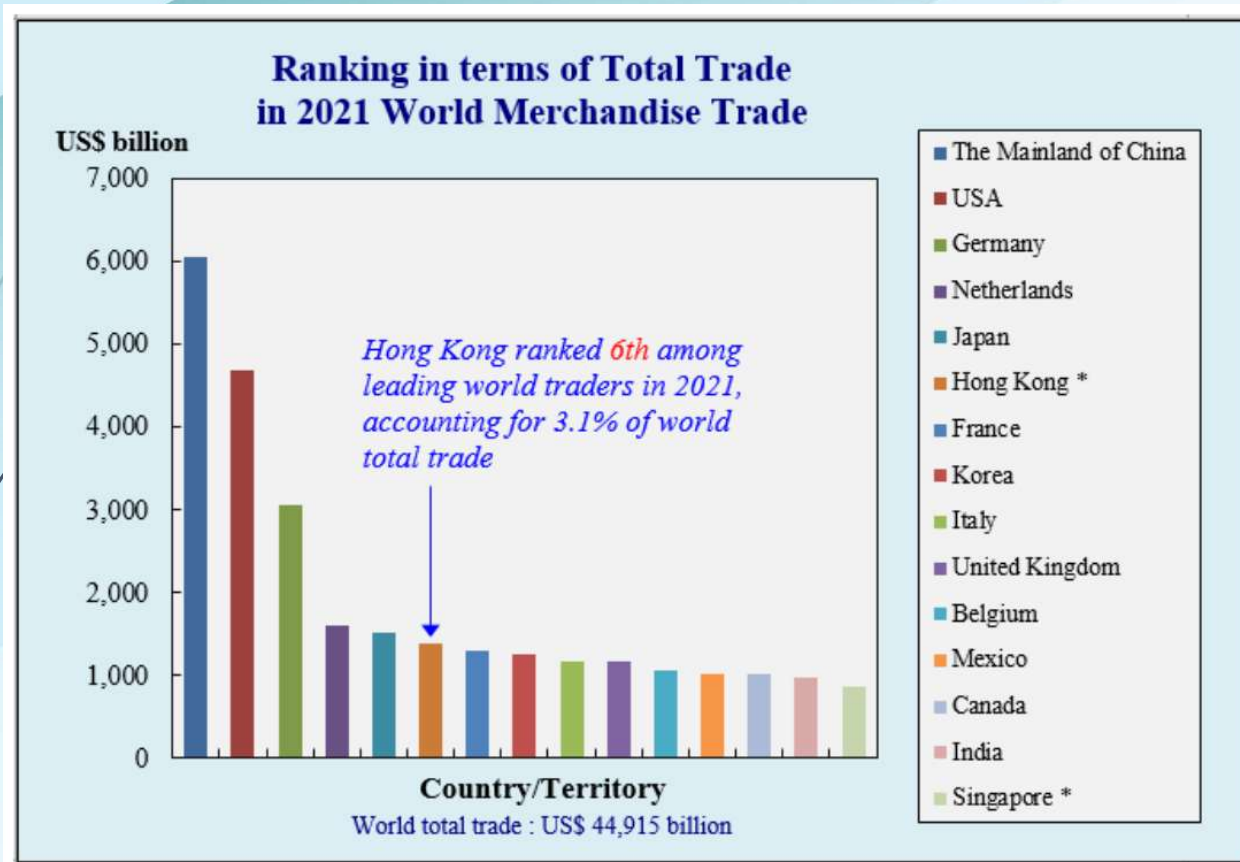
HK\$331.3
billion



#4 in the world and #2 in Asia of funds raised in 2021

Source: [InvestHK](#)

A major trading hub



Note: Total trade includes exports and imports

Source: [Trade and Industry Department of the HKSAR Government](#)

Consistent growth in foreign direct investment (FDI)

	Inbound FDI growth (from 2017-2021)	Outbound FDI growth (from 2017-2021)
Asia-Pacific	3.8%	3.2%
Hong Kong	4%	9.3%

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Popular venue for IPO

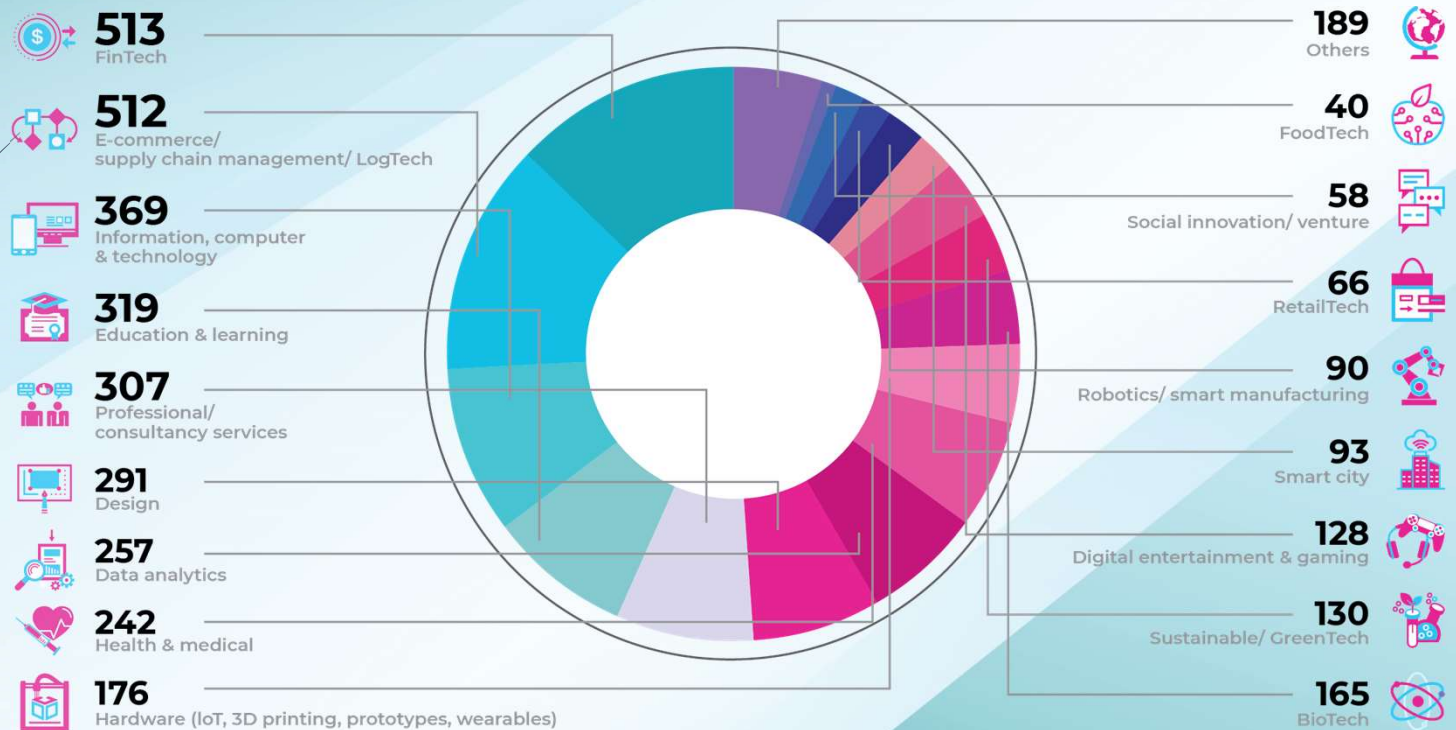
- ▶ Robust regulation: the Securities and Futures Ordinance (SFO), Takeovers Code, Stock Exchange Listing Rules
- ▶ World's **No. 1 in IPO** in 7 of the past 13 years (from 2009-2020)
- ▶ Number of listed companies (including Main Board and GEM) as at end of 2022: **2,597**

Source: [HKEX Monthly Market Highlights](#)



Hong Kong's Startup ecosystem

- In a [2022 survey](#) by InvestHK, the number of startups in Hong Kong reached a new record high, with **3,985 startups** employing **14,932 employees** across a **wide range of industries**.



Advantages of Hong Kong's geographic location

- ▶ Strategically **located at the heart of Asia**
 - ✓ Almost all major Asian cities can be reached within 5 hours flying time from Hong Kong
 - ✓ High speed rail network to/from Mainland China
- ▶ Ideal place for multinationals to set up Asian regional headquarters and regional distribution centres for just-in-time delivery to Asian destinations
- ▶ **World's No.1 Air Cargo Hub** between 2010 and 2021 (except 2020)

Gateway to Mainland China

- ▶ Under “One Country, Two Systems”, Hong Kong has the distinct advantages of enjoying **strong support of the Mainland** and **being closely connected to the world**.
- ▶ Immense opportunities from:
 - ✓ the 14th Five-Year Plan
 - ✓ the development of the Guangdong-Hong Kong-Macao GBA
 - ✓ the Belt and Road Initiative
 - ✓ the Mainland and Hong Kong Closer Economic Partnership Arrangement (**CEPA**)
- ▶ Foreign investors are welcome to establish businesses in Hong Kong to leverage on the CEPA benefits

Source: [Trade and Industry Department of the HKSAR Government](#)

International connectivity

- ▶ Hong Kong can **maintain and develop own relations and conclude and implement agreements** with foreign states and regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, etc.
- ▶ Over 260 multilateral treaties apply to Hong Kong
- ▶ Hong Kong is a member of the **World Trade Organization (WTO)**, **Asia-Pacific Economic Co-operation (APEC)**, **Asian Development Bank (ADB)** and **Asia Infrastructure Investment Bank (AIIB)**

Free flow of capital and favorable tax system

- No capital or forex restrictions
- Only **three direct taxes** are imposed:
 1. **Profits tax**
 - ◆ 8.25% on first HK\$2 million and 16.5% on remaining profits
 - ◆ for unincorporated business, the two-tiered are 7.5% and 15%
 2. **Salaries tax** capped at 15%
 3. **Property tax** of 15%
- Comprehensive Avoidance of Double Taxation Agreements (DTAs)

- × No sales tax or VAT
- × No withholding tax
- × No capital gains tax
- × No tax on dividends
- × No estate tax

Source: [BrandHK](#) and [InvestHK](#)

Ease of setting up companies in Hong Kong

- ▶ Stable trend of local companies registering in Hong Kong
- ▶ **Increasing trend** of non-local companies registering in Hong Kong

	2017	2018	2019	2020	2021	2022
No. of local companies registered	1,383,946	1,400,950	1,380,185	1,387,919	1,375,172	1,391,678
No. of non-local companies registered	10,434	11,061	12,494	13,752	14,348	14,533

Source: [Companies Registry of the HKSARG](#)

Well established professional services infrastructure

➡ Hong Kong has two streams of legal profession:

- ✓ **Solicitors** – regulated by [The Law Society of Hong Kong](#)
- ✓ **Barristers** (or “Counsel”) – regulated by the [Hong Kong Bar Association](#)

	Total number (As of 20 Feb 2023)
Barristers	1,620 (including 102 Senior Counsel)
Solicitors with practising certificates	10,974
Hong Kong Law Firms	931
Registered Foreign Lawyers	1,437 (from 33 jurisdictions)
Foreign Law Firms	74 (from 20 jurisdictions)

➡ Certified accountants, financial advisers, valuers, surveyors, actuaries, other professional advisers

Specialist legal services support

Traditional Business Areas	New Business Areas
<ul style="list-style-type: none">◆ Intellectual Property (IP) protection◆ Debt Restructuring◆ Insolvency◆ Employment◆ Insurance◆ Maritime◆ Commerce and Shipping	<ul style="list-style-type: none">◆ Private Wealth Management◆ Family Offices◆ Fintech◆ Virtual assets/crypto currency◆ Arts and culture

Aligned with international norms

- ▶ Implementation of International Sale of Goods (**CISG**)
- ▶ International Financial Reporting Standards (**IFRS**)
 - ✓ Accounting
 - ✓ Environmental, social and governance (**ESG**)
- ▶ International Organization of Securities Commissions (**IOSCO**)
- ▶ The Financial Action Task Force (**FATF**): global money laundering and terrorist financing watchdog
- ▶ General Data Protection Regulation (**EU GDPR**)

Thank you!